

REVISED
MINUTES OF THE
NATURAL RESOURCES, AGRICULTURE, AND ENVIRONMENT INTERIM
COMMITTEE

Wednesday, October 15, 2003 – 2:00 p.m. – Room 303 State Capitol

Members Present:

Sen. Beverly Evans, Senate Chair
Rep. Craig W. Butters, House Chair
Sen. Gene Davis
Sen. Thomas Hatch
Sen. Parley G. Hellewell
Sen. Bill Wright
Rep. Eli Anderson
Rep. Roger E. Barrus
Rep. Jackie Biskupski
Rep. Margaret Dayton
Rep. Glenn A. Donnelson
Rep. James R. Gowans

Rep. Bradley T. Johnson
Rep. Michael E. Noel
Rep. Loraine T. Pace
Rep. Darin G. Peterson
Rep. Michael R. Styler
Rep. David Ure
Rep. Stephen H. Urquhart

Staff Present:

Mr. Brian Allred, Policy Analyst
Ms. Jeanenne B. Larson, Associate General Counsel
Ms. Joy L. Miller, Legislative Secretary

Note: A list of others present and a copy of materials can be found at www.leg.utah.gov or by contacting the committee secretary, Joy Miller, at 538-1032.

1. Committee Business

Chair Butters called the meeting to order at 2:10 p.m.

MOTION: Rep. Gowans moved to approve the minutes of the September 17, 2003 meeting. The motion passed unanimously. Sen. Davis, Sen. Hatch, Rep. Donnelson, Rep. Peterson, Rep. Ure, and Rep. Urquhart were absent for the vote.

Mr. Bob Morgan, Executive Director, Department of Natural Resources, distributed the "FY 2002-2003 Annual Report/Directory of Services" to the members.

2. Utah Geological Survey - Report on the STATEMAP Program

Mr. Richard Allis, State Geologist, distributed and reviewed "Cooperative Federal-State Geologic Mapping Program: Utah Update – 10/2003." Local, state, and federal land management agencies use the new map information to address issues including ground water location and protection, geologic hazards evaluation, resource protection and development, and education and tourism.

3. Milk Marketing

Rep. Butters distributed a map depicting "mailbox" prices for milk throughout the nation.

Commissioner Cary Peterson, DAF (Department of Agriculture and Food), indicated that Utah can be proud of the quality of its milk and dairy products. He noted a solution to taking care of the current problem of mailbox pricing in Utah is to develop a private industry contract between producers and

processors. He said he would not recommend the implementation of a state order.

Mr. Greg Radmall, Utah Dairywomen's Association, gave a brief explanation of the situation that has developed with milk marketing. Traditionally milk used for fluid sales has received the highest price. Processors pay a premium for that milk. He pointed out that Utah's mailbox price is one of the lowest in the nation.

Mr. Dave Jones, Mountain Council of Dairy Farmers of America, commented that their board has decided to vote against the continuance of the federal order in an effort to generate a higher return for Utah dairywomen. He agreed with the recommendation to enter into contracts with processors through the private sector.

Mr. Mark Gibbons President, Utah Dairywomen's Association, said it has been their intent to establish a means for higher prices for dairywomen. He said processors in the area have been paying as little as possible. Language has been developed for a state order to use as a lever for negotiation which they feel will help raise the producers' price so they can be competitive and earn a living.

Mr. David Larsen, Gossner Foods, spoke in support of the recommendations that have been made.

Rep. Buttars pointed out that the Legislature has authorized DAF to work in marketing issues so the action being discussed can be accomplished through administrative rule.

4. Agricultural Products Dealers

Rep. Buttars briefly discussed H.B. 17, Agricultural Products Dealer's Act Amendments, which was passed during the 2003 General Session.

Mr. Dean Parker, Smithfield Livestock Auction, indicated that currently the auction business is good. He noted that for decades producers costs have escalated, but their income has not. He agreed with giving the commissioner of the DAF the authority to raise dealer bonds. He expressed concern with the number of dealers that are not bonded.

Mr. Richard Nielson, Past President, Utah Cattlemen's Association, spoke in favor of addressing double bonding of packer/buyers within the legislation. Federal guidelines regarding packers and stockyards advises against packer paid buyers buying cattle for other than their own company. He noted that competition is the only thing that drives a fair market. Mr. Nielson stated there are some intimidation situations that need to be addressed.

Mr. Brent Tanner, Utah Cattlemen's Association, said double bonding was directed toward individuals who are employed by packers and are buying in multiples.

Rep. Gowans recommended that a committee of stakeholders and legislators be established to determine if legislation is needed to bring Utah into conformity with federal law on stockyards.

Mr. Seth Winterton, DAF, stated there have been a number of investigations of packers and stockyards in the state in relation to auctions and packing houses. The issue of double bonding and the lack of enforcement of packers' contracts is being federally investigated. Mr. Winterton indicated if a packer/buyer is buying for someone else, it is a conflict of interest for the people he does business with.

5. Livestock Fencing

Rep. Ure discussed the problems property owners face when livestock cause damage to their fences or property. He proposed that for conservation easement and Class 3 greenbelt areas, the responsibility for maintaining fences be shared equally between property owners.

At the request of the Committee, Commissioner Peterson stated a representative of the DAF will meet with the Utah Farm Bureau, Utah Association of Counties, Utah Cattlemen's Association, representatives of woolgrowers, and other interested parties in an effort to determine a resolution to the issue.

6. Other Items / Adjourn

MOTION: Rep. Pace moved to adjourn the meeting. The motion passed unanimously. Chair Buttars adjourned the meeting at 4:50 p.m.